

**THE EMPLOYEE'S GUIDE TO  
REDUCTION IN FORCE (RIF)**

## REDUCTION IN FORCE

One of the most difficult situations in any worker's life is the prospect of being laid off from his or her job. When a productive member of society becomes unemployed, the stress of facing the unknown can be agonizing.

In the Federal Government, layoffs are called reductions in force, or RIFs. While the word "RIF" certainly has negative connotations, it also has another side -- as an objective system which determines how employees may compete to stay in the organization when employment reductions are necessary. The RIF process is focused on the rights of employees to remain when job cuts are made.

It is important to try and understand how the RIF process works. We do not expect everyone to become an expert overnight, because RIF procedures are rather complicated. However, it can be helpful to have as much information as possible concerning why a RIF is happening and how the process works. Understanding is often the first step toward acceptance of the situation, and can aid the transition to a new career.

## BACKGROUND

OPM's reduction in force (RIF) regulations are derived from the Veterans' Preference Act of 1944 and are presently codified in Sections 3501-3503 of Title 5, United States Code. The law provides that OPM's RIF regulations must take into account four factors in releasing employees--(1) tenure of employment (e.g., type of appointment); (2) veterans' preference; (3) length of service; and (4) performance ratings. OPM implements the laws through regulations published in Part 351 of Title 5, Code of Federal Regulations.

## WHEN TO USE RIF PROCEDURES

An agency must use RIF procedures when one or more employees will be separated or downgraded for a reason such as reorganization, lack of work, shortage of funds, insufficient personnel ceiling, contracting out or the exercise of certain reemployment or restoration rights. RIF procedures may not be used to take performance- or conduct-based actions.

## RIF ALTERNATIVES

RIF is the last stop on the road to downsizing. Because it has an adverse affect on employees and productivity, it is the last option an agency should pursue when reorganizing or dealing with budget cuts. Other options, including hiring freezes, early retirement, buyouts, and directed reassignments, should be tried before an agency resorts to RIF.

## MANAGEMENT RESPONSIBILITY

Agency management has the responsibility to make many decisions concerning a RIF. Management decides if a RIF is necessary, when it will take place, and what positions will be abolished. However, the abolishment of a position does not always require the use of RIF procedures. The agency may reassign an employee without regard to RIF procedures to a vacant position at the same grade or pay, regardless of where the position is located. Unions play a major role in the downsizing process, and frequently negotiate or partner various aspects of reduction in force.

## APPLYING THE RIF REGULATIONS

COMPETITIVE AREA--Before a RIF begins, the agency defines the competitive area. The competitive area is the geographical and organizational boundary within which employees compete for retention. A competitive area may consist of all or part of an agency. The competitive area for Sheppard AFB consists of all Air Force positions within local commuting distance of Sheppard that are serviced by the Sheppard Civilian Personnel Office.

COMPETITIVE LEVEL--Next, the agency groups similar positions into competitive levels based on grade, series, qualifications, duties, and working conditions. Positions with different types of work schedules (e.g., full-time, part-time, intermittent, seasonal, or on-call) are placed in different competitive levels. Finally, competitive and excepted service positions are placed in separate competitive levels.

A typical competitive level would group all full time, competitive service GS-201-11 personnel management specialists with interchangeable duties based on their position descriptions in the same competitive level. These GS-201-11 specialists would be in a separate competitive level from any part-time, competitive service GS-201-11 specialists, as well as from any full time, competitive service GS-201-12 specialists.

RETENTION REGISTERS--Next, the four retention factors are applied so that each of the employees in the competitive level is ranked in order based on their RIF retention standing. When this listing is done, each competitive level becomes a retention register, because it lists employees in order of their RIF retention standing. RIF retention standing is based on a combination of the following factors.

1. TENURE. Employees are ranked on a retention register in three groups according to their type of appointment:

Group I - Career employees who are not serving on probation. (A new supervisor or manager who is serving a probationary period that is required on initial appointment to that type of position is not considered to be serving on probation if the employee previously completed a probationary period.)

Group II - Career employees who are serving a probationary period, and career-conditional employees.

Group III - Employees serving under term and similar non-status appointments.

NOTE: An employee serving under a temporary appointment in the competitive

service is not a competing employee for RIF purposes and is not listed on the retention register at all. Such employees may be separated at any time at the discretion of the agency without regard to RIF procedures.

STEP 1: LIST BY TENURE GROUP

Competitive Level: GS-201-11

Bob I

Carol I

Ken I

Susan I

Jim II

Alice II

Tom III

2. VETERANS' PREFERENCE. Each tenure group is divided into three subgroups reflecting the employees' entitlement to veterans' preference:

Subgroup AD - Veterans with a compensable service-connected disability of 30% or more.

Subgroup A - Veterans not included in subgroup AD.

Subgroup B - Nonveterans.

Having a background that includes military service does not guarantee that an employee will be entitled to veterans' preference for RIF. Veterans' preference is awarded to those individuals who served:

1. During the period December 7, 1941, to July 1, 1955; or
2. For more than 180 consecutive days, any part of which occurred after January 31, 1955, and before October 15, 1976; or
3. During the period beginning August 2, 1990 and ending January 2, 1992; or
4. In a campaign or expedition for which a campaign medal has been authorized.

\* Medal holders who enlisted after September 7, 1981, must have served continuously for 24 months or the full period called or ordered to active duty. This is not applicable to those veterans with compensable disabilities, or veterans separated for disability in the line of duty, or for hardship.

\* Medal holders who entered on active duty on or after October 14, 1982, must have served continuously for 24 months or the full period called or ordered to active duty. This is not applicable to those veterans with compensable disabilities, or veterans separated for disability in the line of duty, or for hardship.

Veterans' preference may also be awarded to:

1. An unmarried spouse of certain deceased veterans;
2. A spouse of a veteran unable to work because of a service-connected disability; or
3. A mother of a veteran who died in service or who is permanently and totally disabled.

In order to receive veterans' preference, an honorable or general discharge is necessary. Military retirees at the rank of major, lieutenant commander, or higher are NOT eligible for veterans' preference unless they are disabled veterans. Guard or Reserve active duty for training purposes does NOT qualify

for veterans' preference. Any questions concerning veterans' preference eligibility should be addressed to the employee's servicing personnel office.

NOTE FOR MILITARY RETIREES:

A retired member of the armed forces is considered to be a veteran for RIF purposes only if the veteran meets one of the following: (i) The armed forces retired pay is directly based upon a combat-incurred disability or injury; (ii) The armed forces retirement is based upon less than 20 years of active service; or (iii) The employee has been working for the Government since November 30, 1964 without a break in service of more than 30 days. (If the veteran meets condition (iii) but retired at the rank of major or higher (or equivalent), he or she must also meet the general definition of disabled veteran in Section 2108(2) of Title 5, United States Code, in order to be a veteran for RIF purposes.)

Tenure group and veterans' preference are combined to form the employee's TENURE SUBGROUP. For example, a disabled veteran on a career-conditional appointment would be in subgroup II AD.

STEP 2: ADD TENURE SUBGROUP

Competitive Level: GS-201-11  
Tenure Group + Veterans' Preference =  
Tenure Subgroup  
Bob I AD  
Carol I A  
Ken I B  
Susan I B  
Jim II A  
Alice II B  
Tom III B

3. LENGTH OF SERVICE. Within each tenure subgroup, employees are ranked for RIF retention by their service computation dates. RIF service dates begins with all creditable civilian and military service, and this date is then adjusted with additional service credit for certain performance ratings. Employees with more creditable service are ranked ahead of those with less service in each subgroup. For example, an employee with a service date of August 1, 1974 is listed before an employee with a service date of January 15, 1981.

STEP 3: ADD SERVICE COMPUTATION DATE (SCD)

Competitive Level: GS-201-11  
Bob I AD 09-01-68  
Carol I A 02-01-92  
Ken I B 09-15-88  
Susan I B 05-31-90  
Jim II A 10-01-91  
Alice II B 08-03-88  
Tom III B 12-14-97

4. PERFORMANCE. Employees receive extra RIF service credit for performance based on the average of their last three ratings of record received during the 4-year period prior to the date the agency issues RIF notices. The 4-year period begins on the date the agency issues RIF notices, or the date the agency freezes ratings before issuing RIF notices, if earlier.

Employees receive extra credit only for ratings of Fully Successful or above.

- \* 20 years for a Superior (S) rating;
- \* 16 years for a Excellent (E) rating;
- \* 12 years for a Fully Successful (FS) rating.
- \* 20 years for acceptable (the annual performance ratings beginning in 2000)

An employee receives additional service credit based on the average (rounded up in the case of a fraction to the next whole number) of the value of the employee's last three annual ratings. If an employee received more than three annual ratings during the 4-year period, the three most recent annual ratings are used. If an employee received less than three annual ratings during the 4-year period, the values of the ratings are added together and averaged (i.e., if two ratings were given, their values are added together and divided by two; if only one rating was received, its' value is divided by one).

Example: an employee with two years of Federal service, who for any reason has received only 2 ratings of record. One rating is an "Superior" (20) and one is "Excellent" (16). The employee would receive additional RIF service credit based upon the two actual ratings or  $20+16 = 36$ , divided by 2. The result is 18 years of RIF credit for performance. A few employees may find themselves with no ratings of record at all due to unusual circumstances such as extended absence for military duty or injury, for example. These employees will receive performance credit based on the performance rating most often given to employees in the organization. This value, called a "modal rating" will be calculated by the agency personnel office. The years of performance credit are added onto the service computation date to form an adjusted service computation date which is used in determining RIF retention standing.

#### STEP 4: ADJUST SCD

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Competitive Level: GS-201-11
SCD PERFORMANCE CREDIT ADJUSTED SCD
Bob I AD 09-01-68 S+S+E=20+20+16=56÷3=19 09-01-49
Carol I A 02-01-92 E+S+E=16+20+16=52÷3=18 02-01-74
Ken I B 09-15-88 E+S+E=16+20+16=52÷3=18 09-15-70
Susan I B 05-31-90 S+S+S=20+20+20=60÷3=20 05-31-70
Jim II A 10-01-91 S+FS+FS=20+12+12=44÷3=15 10-01-76
Alice II B 08-03-88 FS+FS=12+12=24÷2=12 08-03-76
Tom III B 12-14-97 E=16÷1=16 12-14-81
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5. RUNNING REGISTERS. Putting employees in RIF retention order is commonly referred to in personnel as "running a register." Agencies normally run registers two ways: (1) within each competitive level; and (2) based on overall RIF retention order regardless of series, grade, etc. Number (1) is usually called a competitive level register and number (2) is often referred to as an "absolute" or "master retention" listing. Many agencies run registers from computer programs specifically designed for reduction in force. The most common program is AUTORIF, created by the Department of Defense, but used by many civilian agencies as well.

#### STEP 5: PLACE IN RETENTION ORDER

Competitive Level: GS-201-11  
 SCD PERFORMANCE CREDIT ADJUSTED SCD  
 Bob I AD 09-01-68 S+S+E=20+20+16=56÷3=19 09-01-49  
 Carol I A 02-01-92 E+S+E=16+20+16=52÷3=18 02-01-74  
 Susan I B 05-31-90 S+S+S=20+20+20=60÷3=20 05-31-70  
 Ken I B 09-15-88 E+S+E=16+20+16=52÷3=18 09-15-70  
 Jim II A 10-01-91 S+FS+FS=20+12+12=44÷3=15 10-01-76  
 Alice II B 08-03-88 FS+FS=12+12=24÷2=12 08-03-76  
 Tom III B 12-14-97 E=16÷1=16 12-14-81

6. RELEASE. Agencies determine how many positions in a given series and grade they need to abolish, and this begins the RIF process. If an employee's position is abolished, this may result in their being "released", or cut, from their competitive level. Employees are released from the competitive level in the inverse order of their retention standing. (For example, the employee with the lowest RIF standing is the individual who is actually released from the competitive level.) Employees in Group III are released before employees in Group II, and employees in Group II are released before employees in Group I. Within tenure subgroups, employees in Subgroup B are released before employees in Subgroup A, and employees in Subgroup A are released before employees in Subgroup AD. Within each subgroup, employees with less service are released before employee's with more service. Any employee reached for release out of this regular order must be notified of the reasons.

#### STEP 6: EMPLOYEES RELEASED FROM COMPETITIVE LEVEL

Competitive Level: GS-201-11  
 SCD PERFORMANCE CREDIT ADJUSTED SCD  
 Bob I AD 09-01-68 S+S+E=20+20+16=56÷3=19 09-01-49  
 Carol I A 02-01-92 E+S+E=16+20+16=52÷3=18 02-01-74  
 Susan I B 05-31-90 S+S+S=20+20+20=60÷3=20 05-31-70  
 Ken released  
 Jim released  
 Alice released  
 Tom released

#### RIGHTS TO OTHER POSITIONS: BUMPING AND RETREATING

After employees are released from their competitive level, they may have rights to other positions by exercising assignment rights, which are commonly referred to as bumping and retreating. "BUMPING" means displacing an employee in the same competitive area who is in a lower tenure group, or in a lower subgroup within the released employee's own tenure group. For example, an employee in Tenure group I can bump an employee in Tenure groups II or III, and an employee in Subgroup IAD can bump someone in Subgroups IA or IB. Although the released employee must be qualified for the position, it may be a position that he or she has never held. The position must be at the same grade, or within three grades or grade-intervals, of the employee's present position. "RETREATING" means displacing an employee in the same competitive area and in the same tenure group and subgroup who has less service. For example, an IA employee might be able to retreat to the position of another IA employee who has less service. The position must be at the same grade, or within three grades or grade-intervals, of the employee's present position. The position into which the employee is retreating must also be the same position (or an essentially identical position) previously held by the released employee in any Federal agency on a permanent basis.

Employees in retention subgroup AD have expanded retreat rights to positions up to five grades or grade-intervals lower than the position held. In addition, an employee with a current annual performance rating of "Minimally Successful" only has retreat rights to positions held by employees with the same or lower current performance rating.

Employees in Groups I and II with current performance ratings of at least "Minimally Acceptable" are entitled to an offer of assignment if they have "bumping" or "retreating" rights to an available position in the same competitive area. An "available" position must: (i) last at least 3 months; (ii) be in the competitive service; (iii) be one the released employee qualifies for; and (iv) be within three grades (or grade-intervals) of the employee's present position.

Employees in Groups I and II with current performance ratings of "Unacceptable," and all employees in Group III, have no assignment rights to other positions. Employees holding excepted service positions have no assignment rights unless their agency, at its discretion, chooses to offer these rights.

The grade limits of an employee's assignment rights are determined by the grade progression of the position from which the employee is released. The difference between successive grades in a one-grade occupation is a grade difference, and the difference between successive grades in a multi-grade occupation is a grade-interval difference. The grade limits are based upon the position the employee holds at the time of the RIF.

For example, an employee released from a GS-11 position that progresses GS-5-7-9-11 has bump and retreat rights to positions from GS-11 through GS-5. An employee released from a GS-9 position that progresses GS-6-7-8-9 has bump and retreat rights to positions from GS-9 through GS-6.

#### VACANT POSITIONS

An agency is not required to offer vacant positions in a RIF, but may choose to fill all, some, or none of them. When an agency chooses to fill a vacancy with an employee reached for RIF action, subgroup retention standing is followed. A RIF offer of assignment to a vacant position can only be in the same competitive area, and must be within three grades (or grade-intervals) of the employee's present position. At its discretion, the agency may offer employees reassignment, or voluntary change to a lower-graded position, in the same or other competitive areas in lieu of RIF.

#### RIF NOTICES

An agency must give each employee at least 60 days specific written notice before he or she is reached for RIF action. In a Department of Defense RIF in which 50 or more employees in a competitive area are receiving separation



notices, the agency must give the employee a minimum of 120 days specific written notice. In exceptional circumstances, an agency may, with prior OPM approval, give employees less than 60 days, but not less than 30 days, specific written notice of a RIF action.

#### RIF APPEALS AND GRIEVANCES

**RIGHT TO APPEAL.** An employee who has been affected by RIF and separated, downgraded or furloughed for more than 30 days, has the right to appeal to the Merit Systems Protection Board (MSPB) if he or she believes the agency did not properly follow the RIF regulations. The appeal must be filed during the 30-day period beginning the day after the effective date of the RIF action.

If MSPB rules in favor of the employee, the agency must restore the employee to the separated position or assign the employee to another appropriate position. The agency may be required to give back pay to the affected employee.

**RIGHT TO GRIEVE.** An employee in a bargaining unit covered by a negotiated grievance procedure that does not exclude RIF must use the negotiated grievance procedure and may not appeal the RIF action to MSPB unless the employee alleges the action was based upon discrimination. The time limits for filing a grievance are set forth in the collective bargaining agreement.

If an employee feels he or she has been discriminated against during a RIF, the employee may contact the agency EEO Office/Chief Counselor, Building 400, extension 4393, for information on available options.

#### TIPS FOR EMPLOYEES

Because of fundamental changes in an employee's life that RIF presents, and because employees may have little time to make decisions concerning RIF, employees should take steps NOW to be prepared for any RIF that may occur. The following steps are recommended:

- \* Review your career brief to ensure that all Federal service is documented. Having all of your federal service documented is critical because RIF retention service credit and all computations concerning severance pay, retirement, and buyouts will be computed based on this information.

- \* Review your position description (PD) or core document (CD) to ensure it reflects actual duties performed. Your PD is very important in a RIF. Your rights and benefits as an employee in a RIF flow from the PD/CD of record.

- \* Obtain any missing performance ratings of record from the last 4 years. As described earlier in this Guide, employees receive RIF service credit for performance based on the average of the last three ratings of record during the 4-year period prior to the date the agency issues RIF notices. It is important to try to obtain any missing performance appraisals from the prior 4 years in order to receive the full credit you are due in a RIF.

- \* If you served in the Armed Forces, check your career brief to ensure it reflects correct military status for RIF purposes. (Since Sheppard employees' OPFs are located at Randolph, check the career brief mailed to you this year in your birth month.) The discharge paper from the armed forces is called the DD-214. For entitlement to veterans' preference in a RIF, your servicing personnel office uses the latest dated copy of the DD-214.

- \* Obtain an estimate of your annuity from your retirement counselor at Randolph AFB (Call the BEST line at 1-800-997-2378). If you are considering retirement at any time, the Air Force Personnel Center (AFPC), Randolph AFB TX has retirement counselors (see number above) available to assist you. They can give you an estimate of your annuity and explain your benefits to you. Be careful to determine what impact retirement or separation will have on your insurance coverage. Carefully consider whether you can live on a reduced income.

- \* Discuss your available options concerning the Thrift Savings Plan (TSP). Substantial taxes and penalties are involved if you handle your TSP contributions incorrectly. Contact your TSP advisor (Thriftline is 1-504-255-8777) or retirement counselor (see number above) for information on your options.
- \* Contact the BEST line (see number above) to determine if you are eligible to retire and obtain a retirement estimate. If you have military service you should speak to a Benefits and Entitlements (B&E) AFPC counselor to assess your options of combining or not combining your military and civilian service.
- \* Discuss future plans with your spouse and family. RIF (or any change in employment status) represents a major change in your way of life. Your spouse and family should be involved in this life-changing event. Job separation may mean pursuing the career you always wanted, but could not. It may mean going back to school, looking for work in a different location, or adjusting the standard of living for the entire family. In any event, discussing the possibility of job loss with your spouse and family can help make decisions easier if a RIF occurs.
- \* Consider meeting with a personal financial advisor. A financial advisor can review your current money situation, and help make plans in the event you are separated due to a RIF. The advisor can help you figure out what tax advantages may be open to you, make projections on future income, review current and future debts, and what standard of living you can expect. Immediate planning and thorough preparation NOW can help you to make decisions if a RIF occurs.

If you have access to the internet, you may go to website <http://www.access.gpo.gov/nara/cfr> for information on RIF regulations (Title 5, Code of Federal Regulations (CFR) 351. A copy is also available in the Civilian Personnel Flight, Customer Service, Building 402, Room 217.

Sheppard Civilian Personnel Flight will also present briefings in the future.